

**Minutes of the  
Litchfield Budget Committee Meeting  
Held on January 10, 2019**

The Litchfield Budget Committee held a meeting on Thursday, January 10, 2019 at Campbell High School, 1 Highlander Court, Litchfield, NH 03052.

**PRESENT:** C Couture (Chair), K Douglas (Vice Chair), J Martin, J Bourque, N Fordey, B Hodgkins, R Meyers (School Board Representative), J Brunelle (Selectmen Representative)

Absent: J Whitnell

**1. CALL TO ORDER**

Mrs. Couture called the meeting to order at 7:56 p.m.

**2. REVIEW / ACCEPTANCE OF MINUTES**

● **December 20, 2018**

**MOTION:** by Mrs. Bourque

*Move to approve the minutes of December 20, 2018*

**SECOND:** by Mrs. Douglas

**VOTE: 6-0-2, with Mrs. Martin and Mr. Hodgkins abstaining**

**The motion carried.**

**3. CORRESPONDENCE**

There was no correspondence.

**4. OLD BUSINESS**

● **Follow up of questions from last meeting**

Mrs. Couture commented that the School Board met last night and made some changes to warrant articles. She indicated they removed the creation of a hiring expendable trust fund and added money to the Capital Reserve Fund article.

Mrs. Douglas asked if there is any update on the transportation contract.

Mrs. Couture indicated there has been no update at this time.

Mrs. Fordey commented there were differences between the school budget presentation that was sent to members and what was presented this evening.

Mrs. Couture explained that when the district reviewed the presentation some changes were made.

Mrs. Douglas asked when the transportation contract is final will the reduction be applied in the budget.

Mr. Izbicki indicated that it will be applied to the budget at Deliberative Session.

## 5. SCHOOL BUDGET

- **Warrant Articles**

### **Article 1: Operating Budget \$22,865,429**

**MOTION:** by Mrs. Bourque

*Move to recommend Article 1*

**SECOND:** by Mr. Meyers

Mrs. Douglas believes more reductions should have been made by the Budget Committee and that she is not comfortable with the total.

Mrs. Couture commented the Budget Committee takes action as a whole. It is a process that we are required by law to bring forth a budget. The process is to make motions and vote on those motions. She indicated whatever vote it is the result of the process.

Mrs. Douglas commented that is not the question. She indicated the question is if she thinks the total is the right number.

Mrs. Couture indicated that a unanimous vote is not necessary, but if a member feels that more reductions should be made or are needed, this is the time to bring it forward.

Mrs. Douglas commented that her motions during the review process were rejected. She feels there is extra money in special education and people disagreed.

Mrs. Bourque clarified that she does not think there is anything extra in that budget. She believes we are irresponsible if we do not budget for the students we have today.

Mrs. Douglas commented it is irresponsible to budget at 92% when it should be 86% based on historical spending. She indicated it should not be put on the taxpayers.

Mrs. Couture indicated that the Budget Committee's responsibility is different than that of the School District.

Mrs. Douglas believes the budget should be reduced by an additional \$100,000.

Mrs. Couture commented there were only \$95,000 additional in reductions that were made and voted on aside from what was voted.

Mrs. Douglas commented she is comfortable with the article being approved without her support.

Mr. Hodgkins agreed with Mrs. Douglas. He commented you are voted into this position and you vote how you feel when it comes to something that keeps raising taxes every year. He

indicated when you vote for that you are voting for taxes to increase. He noted that he cannot support that.

Mrs. Couture asked that any Committee members that wish to make a motion for more reductions do so now so the Committee can discuss them.

No motions were made.

**VOTE: 6-2-0, with Mrs. Douglas and Mr. Hodgkins opposing  
The motion carried.**

**Article 1 is recommended by the Budget Committee.**

**Article 2: Teachers Contract Year 1 \$394,429; Year 2 \$374,294; Year 3 \$346,391**

**MOTION:** by Mr. Meyers

***Move to recommend Article 2***

**SECOND:** by Mrs. Bourque

Mrs. Douglas asked for clarification regarding staff members compensating if they sub for another staff member.

Mr. Meyers commented people were not being paid if they were subbing during a planning period or other assignment and in this contract they will be compensated at the substitute hourly rate.

Mrs. Douglas commented that is logistically confusing.

Mr. Meyers explained that if a teacher is out for a day it is possible a different teacher may be subbing. He indicated it better to have a certified teacher in front of the students.

Mrs. Douglas asked if \$153,000 is being paid in the first year of the contract to bring some teachers to the salary step where they should be, why is there such a large increase in years two and three?

Mr. Meyers explained there is a 2% increase to the step schedule in years two and three, but no step increase in year one. He noted there is also a longevity increase.

Mrs. Couture indicated there was concern at the previous Deliberative Session regarding health benefits. She observed that next year there is a decrease in the premium rate and health insurance seems lower. She commented that the district always takes a hit on health insurance and in previous contracts the School Board tried to reduce the responsibility of the district and increase the responsibility of the employer. Mrs. Couture indicated the increase in percentage of contribution is not equitable and the majority of the increase is on the district. She commented she is unable to support the contract as negotiated because it is a great healthcare plan for employees, but not for the district.

Mr. Meyers commented the hope is that savings will occur with the new plan.

Mrs. Couture commented that she has worked through several calculations based on the information that was provided and does not see any savings to the district. She indicated the Choice Plan yields no real loss or real gain and is the same cost to the district as the Green Plan. She noted that the only savings is to the employees. She noted that any cost savings to the district would be small, for example, all the district will save in year 1 of the contract is \$1,600.

Mr. Meyers commented that the new plan would come with a change in usage with a potential savings.

Mrs. Couture commented that she does not see how a change in usage will yield a savings to the district as rates increase year after year.

Dr. Jette indicated the plan reflects a significant hint in behavior of how healthcare is used. He commented with the HMO costs for healthcare itself are higher, but when the switch is made to a consumer driven plan it should cause employees to rethink the costs of what they use. He noted that over time a change in behavior should result in savings. Dr. Jette indicated when the district consulted with School Care they claimed when districts switched to a consumer driven plan there was a neutral status in the first year, but the true savings comes in the long term. He commented this is the thought process that drove the negotiations.

Mrs. Couture commented that there is a deductible in the police contract already. The police asked last year to renegotiate their health benefits to 80/20 to help the town with cost savings. She indicated in previous years the town and school district were trying to get to the 80/20 point, but the district is jumping back to higher percentages, which is going in the wrong direction. Mrs. Couture noted she would like to think there will be savings in the future, but she would like to see those savings first and negotiate something better in the future.

Mrs. Douglas agreed. She admitted she was not excited when she first reviewed the agreement. She commented that the district has excellent teachers, but we are giving substantial increases to some, sizable COLA increases and longevity, and significant increases in employer contributions in healthcare. She indicated that it will be challenging to get the voters to support the contract. Mrs. Douglas commented it is great to try to reduce cost in the long term, but for the size of the increases in salaries we should have seen more given back to the district.

Mr. Meyers commented those come with deductibles in the health plan.

Mrs. Couture commented the previous plan had smaller deductibles. She indicated there is a significant jump from 82% employer contribution to 89%.

Mrs. Harrison commented the top priority was to get a reduction in healthcare costs. She indicated the Green Plan was a Cadillac plan and there was discussion regarding costs related to

a deductible plan that would result in large amounts out of pocket. She explained by raising the district's contribution we wanted to get "our foot in the door"; to cushion the blow and make the transition to the deductible plan more palatable.

Dr. Jette indicated the Green Plan has no deductible and the Red Plan has a deductible, but not many employees opted to take the Red Plan.

Mrs. Fordey asked for the number of years of unknown increase. She commented the agreement is for three years and there will be a reduction in the rate.

Mrs. Couture indicated the first year is neutral.

Mrs. Douglas asked if there is a guaranteed maximum rate for years 2 and 3.

Mrs. Messenger indicated the insurance company does not predict that far ahead.

Dr. Jette explained they do not predict that far ahead because there could be catastrophic events that could affect the rates.

Mrs. Bourque commented in the private sector these types of plans do seem to produce some savings; however, the significant increase in the contract is a concern.

Mrs. Couture clarified her concern is the percentage of contribution to the premium. She indicated no employee loses money with this plan even if there is no change in the percentage of contribution. She explained that she calculated the costs several ways and at both ends of the salary schedule, and in every case the staff member made more money. Mrs. Couture commented she could understand if the employer percentage decreased in years 2 and 3. She indicated for 20 years there has never been a savings in the health care rates and this is the first year we saw a decrease.

Mrs. Harrison explained that the percentage increase was negotiated in order to make the switch from the Green Plan to the Yellow Plan.

Mrs. Douglas commented ultimately it goes to the voters who decide. She noted the decision is based on dollars and cents, and not that people do not support the teachers. She indicated there are other contracts coming up and talk of wanting a new school, but pretty soon the "well will run dry". She was concerned that many residents in town are struggling and this is doubling the increase from the district because it is \$1.1M over three years on a \$22M budget.

**VOTE: 4-4-0**

**The motion failed.**

**Article 2 is not recommended by the Budget Committee because of a tied vote.**

**Article 3: Part Time Enrichment Tutor LMS \$28,490****MOTION:** by Mrs. Douglas*Move to recommend Article 3***SECOND:** by Mr. Meyers

Mrs. Douglas thanked the district for bringing forth the article.

**VOTE: 7-1-0, with Mr. Hodgkins opposing****The motion carried.****Article 3 is recommended by the Budget Committee.****Article 4: Part Time Math Tutor LMS \$28,490****MOTION:** by Mrs. Douglas*Move to recommend Article 4***SECOND:** by Mr. Meyers

Mrs. Douglas commented help in math is much needed at LMS.

Mrs. Fordey commented that it was helpful to have the budget presentations from the district.

**VOTE: 7-1-0, with Mr. Hodgkins opposing****The motion carried.****Article 4 is recommended by the Budget Committee.****Article 5: Building Maintenance Capital Reserve Fund \$100,000****MOTION:** by Mr. Meyers*Move to recommend Article 5***SECOND:** by Mrs. Bourque

Mr. Hodgkins asked if the district can take money from this fund for any purpose.

Mrs. Couture indicated that the funds can only be used for the purpose for which it is intended. She noted there is a process to withdraw from this fund as well.

Mrs. Douglas asked if this is the only request from the unassigned fund.

Mrs. Couture indicated there is a master list of year end spending at the district level, but this is the only article requesting funds from the unassigned fund balance.

**VOTE: 8-0-0****The motion carried.**

**Article 5 is recommended by the Budget Committee**

## **TOWN DISTRICT BUDGET**

- **Warrant Articles**

**Article 2: Operating Budget \$6,757,953**

**MOTION:** by Mr. Brunelle

*Move to recommend Article 2*

**SECOND:** by Mrs. Bourque

Mrs. Douglas commented that she had hoped for oversight on some salary issues.

**VOTE: 7-1-0, with Mr. Hodgkins opposing**

**The motion carried.**

**Article 2 is recommended by the Budget Committee.**

**Article 3: Police Contract Year 1 \$37,909; Year 2 \$24,942; Year 3 \$4,764**

**MOTION:** by Mr. Brunelle

*Move to recommend Article 3*

**SECOND:** by Mrs. Douglas

Mrs. Douglas commented it is a good contract to reduce the liability of the town. She expressed hope to continue to see that trend move forward.

Mr. Hodgkins did not believe they went far enough and cannot support the article.

**VOTE: 7-1-0, with Mr. Hodgkins opposing**

**The motion carried.**

**Article 3 is recommended by the Budget Committee.**

**Article 4: Human Services and Health Agencies \$25,000**

**MOTION:** by Mr. Brunelle

*Move to recommend Article 4*

**SECOND:** by Mrs. Douglas

Mrs. Douglas commented that she views this as taxpayer funded charity, although she indicated that she likes the process and oversight proposed.

Mrs. Bourque prefers this to be in the budget and spoke in favor of the article.

Mr. Hodgkins commented that he does not support the article and views it as charity.

Mrs. Couture indicated these are non-profits that provide services to Litchfield and make a request for some funds instead of charging for services.

**VOTE: 6-2-0, with Mr. Hodgkins and Mrs. Douglas opposing**  
**The motion carried.**

**Article 4 is recommended by the Budget Committee.**

**Article 5: Town Earned Time Accrual Expendable Trust Fund \$50,000**

**MOTION:** by Mr. Brunelle

*Move to recommend Article 5*

**SECOND:** by Mrs. Martin

Mr. Hodgkins commented the wording does not make it seem like there is no tax impact.

Mrs. Couture indicated the wording is mandated by the Department of Revenue Administration and it is fully explained at Deliberative Session.

Mrs. Fordey agreed with Mr. Hodgkins and suggested getting the message out to voters in a different way.

Mr. Brunelle informed the Committee that the Town publishes explanations for the warrant articles and provides much information. He commented voters have to do their homework as well.

Mrs. Couture indicated that the wording cannot be changed or modified, which is why explanations are published.

**VOTE: 7-1-0, with Mr. Hodgkins opposing**  
**The motion carried.**

**Article 5 is recommended by the Budget Committee.**

**Article 6: Technology and Communication Expendable Trust Fund \$50,000**

**MOTION:** by Mr. Brunelle

*Move to recommend Article 6*

**SECOND:** by Mrs. Douglas

Mr. Hodgkins asked if this will be yearly. Mr. Brunelle indicated it is part of the schedule and the funds will only be used for that purpose.

Mr. Hodgkins asked if the amount of money needed for the project will come out of the budget.



Mr. Brunelle indicated that the town will most likely come back with a larger project and apply these funds toward that project.

**VOTE: 8-0-0**

**The motion carried.**

**Article 6 is recommended by the Budget Committee.**

**Article 7: Land Purchase \$90,000**

**MOTION:** by Mr. Brunelle

*Move to recommend Article 7*

**SECOND:** by Mrs. Douglas

Mrs. Douglas asked if there is state fund tied to this and if the purchase price represents 20% for the town's liability.

Mr. Brunelle indicated that \$90,000 is the purchase price of the land.

**VOTE: 8-0-0**

**The motion carried.**

**Article 7 is recommended by the Budget Committee.**

## **6. MEMBER INPUT**

There was no member input.

## **7. PUBLIC INPUT**

Tina Harrison, School Board Vice Chair, thanked the Budget Committee for their time and expressed appreciation for the process.

Robin Corbeil, 4 Nesmith Court, spoke to comments made by the Budget Committee when discussing the increases teachers will receive as part of the contract. She commented the district has a lot of veteran staff and you are saying they will not lose money. She indicated most of those teachers are on the top step and do not get a cost of living increase. She expressed concern about not having a contract and that it leads to more problems such as what we are trying to fix.

Mrs. Corbeil spoke to the healthcare plan. She commented if we end up with the Green Plan, employees who get paid not to opt into the insurance will be enticed to take that insurance, which will cost the district \$480,000. She thanked the Committee for the time they have put into the process. She asked members not to feel it is their responsibility to control the district's budget for the people of our time. She indicated it is their responsibility to be informed when voting.

Mrs. Couture commented teachers who are on the top step do get longevity, which is increasing.

Mrs. Corbeil commented that she was shocked when she looked at Hudson's salaries and found their top step is \$20,000 more than our top step.

Mr. Hodgkins asked how many business there are in Hudson.

Mrs. Corbeil agreed that Litchfield needs more business.

Brian Bourque, School Board Chair, indicated there is a cost savings in the district insurance. He explained all the dollars to be saved were put into the wages and any savings from insurance will be passed along to the salaries. He noted the savings will be in premium costs and the difference between the Green Plan and Yellow Plan is approximately 9%. He commented the only way to transition to the consumer driven insurance plan and start the process of saving money is to give a higher percentage in contribution. He believes that the following year will yield savings in insurance costs.

Mrs. Douglas commented that taxpayers are always told that. She indicated it is up to the School Board to make that pitch. She feels that the district gave too much away and got nothing in return.

Mr. Bourque commented if we stay with the Green Plan the premiums will increase.

Mrs. Couture indicated that the savings between the two plans is 80 cents.

Mr. Meyers commented those numbers are based on this year's numbers and usage.

Mrs. Harrison commented the goal was to make the big switch.

Mrs. Couture indicated that she understood the thought process, but would have scaled back the percentage in years 2 and 3.

Mrs. Harrison feels this is a step in the right direction and she is ready to present the case to the voters.

Mr. Bourque commented that we need to emphasize at Deliberative Session that even if we level fund the budget taxes will increase by 24 cents annually. He indicated there is not a city, town or piece of land on which taxes do not increase. He noted it is the cost of doing business.

Mr. Hodgkins commented he will do whatever he can to make taxes lower.

## **8. ADJOURN**

**MOTION:** by Mrs. Douglas

*Move to adjourn the meeting.*

**SECOND:** by Mrs. Bourque

**VOTE: 8-0-0**

**The motion carried.**

**Next meeting:**                    **February 2, 2019**

The meeting was adjourned at 9:25 p.m.

**Recorded by:**            **Michele E. Flynn, Recording Secretary**

**Approved:**